Are NGOs Overrated? Why and How to Say "No."

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Introduction

"Are NGOs overrated"? There is only one possible answer to a question like that: "It all depends." It depends on the NGOs concerned, the contexts they work in, the type of work they do, and the standards we use to judge them. In a world of discredited governments and unaccountable corporations it might seem especially harsh to single NGOs out for criticism. Other contributions to this issue of CICE are right to point out the dangers of over-generalizing in the NGO debate. Mark Ginsburg (this issue) contrasts the very different qualities of grassroots movements and non-profit businesses; Lynn Ilon (this issue) separates market from non-market values and the transformative potential they offer; Steven Klees (this issue) maintains--correctly--that "some of the promise of NGOs is clearly being fulfilled"; and Robert Arnove, and Gita Steiner-Khamsi (this issue) identify numerous examples of individual organizations that have not been co-opted by the agendas of states or donors.

These qualifications are important, but they do not do away with the need to seek some common patterns in what is happening in the world--after all, we cannot make policy in any other way; nor do they disguise the fact that development NGOs are being influenced by some common trends at both macro- and micro- (or meso-) levels. Some of these forces are described in my recent article with David Hulme: "Too close for comfort" (1996). At the macro level they include state retrenchment and privatization; at the micro level--the level of NGOs themselves--they include the institutional imperatives of growth, bureaucracy and market share. The net result, we argue in that article, is to draw NGOs further into the "New Policy Agenda" and reduce their potential for radical action.

Although this argument is clearly partial and incomplete, the article seems to have been widely-circulated, even in the donor community itself, where questions are certainly being raised about the need to re-consider the use of NGOs as contractors in deliberate substitution for the state. Importantly, the article is only part of a much larger body of material produced by the two of us over a ten-year period, all of which looks at NGOs in a constructively-critical way. [2] Taken together, these materials represent our attempt to understand what is happening in the NGO world and use that knowledge to "modernize" these organizations in the best sense of that word--improving their ability to fulfill their stated mission for poverty-eradication and social transformation. I will come back to the importance of this initiative--one academic and one "reflective practitioner" working collectively and strategically over time--at the end of the paper.

If the answer to the question is "it all depends", then there must be room-to-maneuver. Agencies can use this room to make more of the opportunities provided by context and relationships, while dealing with threats. For NGOs, this translates into a very concrete question: what do they need to do in order to pursue their mission without co-optation, given the realities of need in the world, fund-raising imperatives and donor relations?

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Put another way, what needs to happen to enable us to say "no" to the question posed in the title of this issue of CICE--"are NGOs overrated?" And what is the role of research--and the academy more broadly--in helping NGOs to get to this destination successfully?

NGOs in the Twenty-first Century

I think there are at least three questions which all development NGOs need to answer if they are to pursue their goals effectively against the background of the "New Policy Agenda": what is our role in the twenty-first century? Are we concerned with development as "delivery" or development as "leverage"? And how do we claim the legitimacy that underpins our mission? Let me deal briefly with each of these questions in turn.

What is our role?

It may seem obvious that NGOs are more likely to succeed when they are clear about their mission, and how best to fulfill it in different contexts. Yet few have a strategic or sufficiently-analytical view of the answers to this question. Therefore, they tend to drift into and out of different roles and relationships according to development fashions, the availability of resources, or donor demands--adult literacy one year and micro-finance the next. At a more fundamental level, NGOs have always been confused about their identity--part market-based actors providing a service at a competitive price; part social actors pushing for more radical changes in systems and structures. Although these two identities can sometimes be combined (of which more below), they have very different implications for NGO roles and relationships. At some point all NGOs will have to make a clearer choice.

At present, few seem prepared to do this. Either it is too difficult or dangerous, or it appears unnecessary when the flow of money from public or official donors is still fairly reliable. Most NGOs "end up trying to manage a muddle in the middle" as I put it elsewhere (Edwards, 1999), making incremental changes in current practice in the hope that this will be enough. Examples include codes-of-conduct to improve accountability, attempts to strengthen "partnerships" between NGOs in North and South, and more investment in organizational learning. Unfortunately, these changes are unlikely to be sufficient to enable NGOs to adapt to a rapidly-changing context, rising competition for development resources as foreign aid declines, and the relative imbalance of power between NGOs and other actors in the private and public sectors. The more strategic NGOs have, therefore, embarked on a more radical process of re-visioning and re-engineering. This is why there is so much talk these days of new mission statements and organizational structures.

Among these NGOs, two distinct pathways to the future are already discernible. The first is an aggressive marketing of the NGO "brand", in which agencies adopt a more openly market-oriented stance in a clearly-identified niche (i.e., some aspect of service-provision such as humanitarian aid, micro-finance or project design and delivery). The second is the reverse of this model. Here, NGOs decide to forgo some funding opportunities or functions, sink roots deeper into their own society and extend their links with other civic groups, and adopt a more radical stance as social actors that can push openly for social and political change. In the first model, impact comes from aggregation, that is, the size of programs and the number of deliverables; in the second it comes from articulation, namely, the multiplier effect of working together to lever change in larger structures. Market actors aim to build their own positions as institutions; social actors are more interested in strengthening the capacity of others for independent action. The market offers the prospect of organizational growth with little impact on world poverty, but only while the supply of foreign aid continues and NGOs remain competitive against alternative suppliers; social movements promise more impact but little growth, since the focus is on the message--or the goal--not the individual agency.

For NGO staff and trustees, the attractions of the market are obvious, but few are comfortable with the implications of this choice. My sense is, therefore, that we will see a new generation of NGOs who make a more successful marriage between market principles and social values, in much the same way that "third-way" thinking is evolving at the macro level. In that sense, NGOs will be the "social entrepreneurs" of the twenty-first century, though this will require a clarity of direction that few possess at present.

Development as delivery or leverage?

The second pre-requisite for avoiding co-optation is the ability to recognize when you are slipping out of "service innovation" designed to lever change on a broader level and into "service substitution" or large-scale service delivery where the stress is on replacement of public functions and the consequent erosion of the duty of states to provide and care for all their citizens. Robert Arnove and Rachel Christina make this point in their paper for this issue of CICE, arguing for "complementarity" between states and NGOs and the need for strong (and accountable) government, even if some aspects of education and other service-provision are franchised out to NGOs and the private sector. As they show in the case of educational development in Palestine, it is possible for NGOs to play a creative and radical role in social policy without being co-opted or stifled by bureaucracy. Gita Steiner-Kamsi makes a similar point in her paper, contrasting the dangers of "modulitis" with the advantages of adopting a flexible response appropriate to the local context. Although donor pressures and internal NGO imperatives may push for standardization, this is not inevitable.

In these situations, the key is the ability to identify the difference between innovation and substitution, development-as-delivery and development-as-leverage, and respond accordingly. NGOs that can do this focus as much on learning, practice-to-policy work (or technical advocacy) and capacity-building as on the actual delivery of projects and services. The service grounds these other efforts in concrete practice, but the NGO moves on to innovate elsewhere once the wider goal has been set in motion. In this way, more impact is achieved at less cost to the political economy to which NGOs contribute a small but not insignificant influence. As Geoff Wood (1997) points out for Bangladesh, the nature of the "social contract" between citizens and states differs fundamentally from that between consumers and private service-providers (whether commercial or non-profit). In the former case people have a right to a service; in the latter they only have an entitlement, dependent on whether they live in an area served by an NGO, whether that NGO provides the service effectively, and whether they can hold the NGO accountable for its actions. In many poor countries, the answer to all three questions is negative, so privatization results in a patchwork-quilt of unsatisfactory health and education which is difficult to influence through public pressure.

To avoid this scenario, NGOs must have a clear bottom line in mind and indicators to tell them when they reach it. For example, they should have a minimum amount of money set aside for capacity-building and clear indicators to show whether sustainable institutions, skills and confidence are being developed. That in turn requires a range of capacities and characteristics that most NGOs lack, high levels of transparency and accountability, and a clear view of how organizational legitimacy is claimed and maintained.

How do we claim legitimacy?

There are two ways in which NGOs can claim legitimacy--their right to do what they do and say what they say. The first is legitimacy through representation, as in most membership organizations; the second is legitimacy through results, and accountability for delivering the terms of contracts. Most NGOs choose the latter route, since they are usually closer to market-based actors than social movements, though all would probably claim legitimacy through a mixture of both. This is a vital question for the future, because it is the legitimacy of NGOs that is now being threatened or questioned, especially among NGOs that are based in and governed from the North. One of the best ways to address the dangers of co-optation and poor performance is to focus more energy on demonstrating legitimacy in either or both of these ways.

If an NGO chooses the social actor route, then clearly its claims to legitimacy have to be substantiated through its connections with members or constituents. This entails building a supporter base that is well-informed about development and the changing roles NGOs must play to remain effective. It also involves a concentration on strengthening demand for development and not the supply of foreign aid and aid-funded projects, as well as securing the financial independence that will protect the organization from undue donor influence. The record of most NGOs in these areas is poor. They have built a list of occasional givers, but not an active constituency for change; and they have largely ignored the need to build the financial self-sustainability of the grassroots institutions and communities they work with.

On the other hand, if the NGO is a market-based actor, then its claims to legitimacy will come through its success in delivering what it says it delivers at a level which meets the standards required in the marketplace. NGOs dependent for their income on government and other official donor agencies will know exactly what this means and how difficult it is to retain flexibility and innovation against the background of short-term quantitative targets and other cost pressures. One of the key problems here is that few NGOs invest enough in learning and evaluation to generate accountability through results. They have little idea what their results are, or what to attribute to their own interventions. Yet without clear accountability procedures it is much easier to cross the line between transparent compromise and blind co-optation. A focus on learning is one of the most important priorities for any NGO that wishes to remain effective.

This may appear an obvious statement, but NGOs may now be receiving more criticism than they are due precisely because learning, transparency and accountability in the NGO sector have been relatively weak. Hence, our expectations of NGOs achievements have simply been too high. After all, NGOs have grown used to occupying the moral high ground. Until recently, they benefited from a series of untested assumptions about NGO cost-effectiveness, closeness to the poor, flexibility and so on; and from a loyal but uninformed supporter base. Over the last few years this has changed. A growing body of research has questioned these assumptions and criticisms have begun to leak into the public domain. This has left NGOs feeling distinctly uncomfortable--proving the old adage that the "higher you are, the further you have to fall."

Criticisms about accountability and transparency are commonplace in the public and business sectors. They are no less important for NGOs, but NGOs are much less used to facing them. My argument is that, in the long term, this process of public questioning is not only healthy but essential to the survival of a vibrant and innovative civil society in which NGOs have a small but important part to play. In an age when institutional accountability is the price for a seat at any negotiating table, NGOs must become much more sophisticated about the definition and measurement of results, and more broadly, how they substantiate their claims to legitimacy. Nothing less will do.

Reflective Practice and Hermeneutic Theory

In this final section of my paper, I examine the role academics and practitioners can play in helping each-other to address unanswered questions. I have argued that a large part of the answer to the question "are NGOs overrated" lies in improving our understanding of the conditions that underpin impact and guard against co-optation. How is this to be done? NGOs are unlikely to be able to find all the answers for themselves. For one thing, they have too many institutional interests that reduce their ability and willingness to "speak truth to power" in Aaron Wildavsky's famous phrase. For another, they lack the research and analytical skills to do so as well as the large-scale investments required in learning and knowledge infrastructure. Universities and the wider research community have a crucial role to play in supplying these skills and capacities, along with a more objective view of NGO successes and failures.

However, this must be a reflexive and reciprocal process: "we cannot change the world unless we understand how it works, but neither can we understand the way it works unless we are involved in some way with the processes that change it" (Edwards, 1989). NGOs do not want to be studied like animals in the zoo; they want to join hands with the research community in a common search for answers. As I have argued over many years, the future for both communities lies through co-working in which each party offers the other something they do not have. [3] The result is better theory, applied and refined in practice; and better practice, informed and tested against theory. In the process, NGOs and researchers can be co-creators of environments for learning that nurture both reflective practitioners and engaged academics. As Robert Arnove puts it in his paper, "this requires that we maintain our critical judgment" when we play this role--collaboration adds value to what each already has; it does not take away. But it does require more openness to working across boundaries, and different institutional structures and incentives. Neither NGOs nor universities have grasped this fundamental point. If they have grasped it intellectually they lack the courage and imagination to put it into practice.

It seems to me that this on-line journal, Current Issues in Comparative Education, is a good example of exactly what we need. Other ideas include long-term "framework partnerships" in which particular researchers work with particular NGOs over time. This allows trust and confidence to develop slowly, without which no partnership will work. This is very different to the cut and thrust of the contract culture, rushed consultancy visits, and the occasional non-academic article. If we can be "critical friends" to each other, as the Brazilians would say, then we can create the foundations for moving forward in both our worlds. Combining action with understanding in this way is the key to achieving both the NGO mission of poverty-eradication and social transformation. It is also the instrument for the training of a new generation of reflective practitioners who will carry those transformations into the future. That requires hard work, self-sacrifice and imagination. CICE has already made a good start. I wish you well.

Notes

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[2] See, for example, Edwards and Hulme (1992, 1995, 1997) and the references therein.

[3]See Edwards 1989, 1994, 1996.

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